

## REMARKS

### I. Summary of the Office Action

The December 18, 2006 Office Action (hereinafter "Office Action") rejected claims 1-9 and 17-22 under 35 U.S.C. § 103(a) as being unpatentable over the Nevada Gaming Commission Regulation 26, Pari-Mutuel Wagering (hereinafter "Regulation 26").

Claims 10-16 and 23-31 are rejected under 35 U.S.C. § 103(a) as being unpatentable over Regulation 26 in view of Mindes U.S. Patent No. 5,842,921 (hereinafter "Mindes").

### II. Summary of Applicants' Reply

Applicants have amended independent claims 1 and 17 to more particularly define applicants' invention. The claim amendments are fully supported by applicants' specification as originally filed. See, e.g., Summary of the Invention, p. 3; FIGS. 17A, 17B, and 19. The rejections of claims 1-31 are respectfully traversed.

### III. Applicants' Reply to the 35 U.S.C. § 103(a) Rejections

As amended, applicants' independent claim 1 is generally directed toward a method for providing the projected effects of wagering on parimutuel pools to a user in an

interactive wagering system. A user input is received that proposes a wager that is associated with at least one parimutuel pool. Information that affects the user's potential winnings is obtained from the at least one parimutuel pool. Without changing the at least one parimutuel pool, the projected effect the user's proposed wager would have on the parimutuel pool is provided to the user.

As amended, independent claim 17 is generally directed toward a method for providing projected effects of wagering on odds associated with a proposed wager. A user input is received to create a proposed wager that is associated with at least one parimutuel pool. Parimutuel pool information and current odds for the proposed wager are both obtained. Without changing the at least one parimutuel pool, the effect the proposed wager would have on the current odds is determined, and the projected odds are provided to the user.

The Examiner contends that independent claims 1 and 17 are obvious in view of Regulation 26 because "the odds and payout associated with a pari-mutuel wager must take into account all money wagered." Office Action, p. 2. According to the Examiner, a logical consequence of this observation is that:

"[n]o system could possibly provide accurate odds information to the wagerer without following these [i.e., applicants' claimed] steps. Essentially,

Applicant is attempting to patent providing accurate projected odds/payout information to the wagerer-- thus precluding anyone else in the United States from providing accurate odds/payout information. This is overbroad." Office Action, p. 2.

Applicants respectfully disagree. The Examiner is failing to recognize the difference between a "projected" effect of a wager and the actual odds/payout of wagers that have been already placed.

Applicants' claimed invention is very specific. It provides the projected effect a proposed wager would have on a parimutuel pool (claim 1) or current odds (claim 17). In addition, as recited by amended independent claims 1 and 17, the projected effect on the pool is provided to the user (claim 1), or the effect on the current odds is determined (claim 17), without changing the at least one parimutuel pool. Therefore, applicants' claimed invention provides the projected effect to the user without incorporating the proposed wager information into the actual parimutuel pool. This is a fundamental distinction between providing current odds of wagers that have been already placed (as described in Regulation 26) and providing projected effects of a proposed wager to the user.

Regulation 26 merely provides that "[t]he totalisator shall calculate the total amounts in each pool and the amounts wagered on each entrant or combination from time to time as wagering progresses." Regulation 23, at 26.100(6).

Thus, Regulation 26 requires that the totalisator update the parimutuel pool to reflect wagers that have been actually placed. Regulation 26, like the other art cited by the Examiner, does not show or suggest the ability to provide any projected effects of proposed wagers without changing the parimutuel pool, as recited by applicants' independent claims 1 and 17.

IV.           Applicants' Reply to the Examiner's  
              "Response to Arguments" Section of the Office Action

In the "Response to Arguments" section of the Office Action, the Examiner maintains that "[t]he fact that large wagers may affect the odds is so well known that it has found its way into literature." Office Action, p. 5. This "phenomenon," according to the Examiner, was recognized as early as 1956 when Ian Fleming wrote: "And put your money on just before the window closes. You'll shift the odds with that Grand of yours." *Id.*

Applicants agree that it is well known that wagers placed in parimutuel pools can affect the odds. That is the basis for parimutuel wagering. Until applicants' claimed invention, however, no one provided a solution for determining the "projected effect" of a wager prior to placing the wager. The fact that Ian Fleming recognized that a large wager will shift the odds back in 1956 is objective evidence of a long-

felt but unsolved need to provide the projected effect of a wager to a user.

Applicants have provided a novel solution to this well-known problem by providing the projected effect a proposed wager would have on a parimutuel pool or current odds to the user without changing the at least one parimutuel pool associated with the proposed wager. The Examiner has pointed to no reference that shows or suggests this feature. As such, applicants submit that this long-felt but unsolved need is an "indicia of . . . nonobviousness" supporting a conclusion of patentability. See *Graham v. John Deere Co.*, 383 U.S. 1, 18 (1966).

V. Conclusion

For at least the foregoing reasons, applicants submit that independent claims 1 and 17 are allowable over the prior art of record. Applicants further submit that dependent claims 2-16 and 18-31 are allowable for at least the same reason as their respective base claims.

Reconsideration and allowance are respectfully  
requested.

Respectfully submitted,



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